

## **2e2 Managed Operations Limited**

### **Report and Financial Statements**

31 December 2011

THURSDAY



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20/09/2012  
COMPANIES HOUSE

## **2e2 Managed Operations Limited**

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Registered No 3202152

### **Directors**

N P Grossman  
M S McVeigh  
T W Burt

### **Secretary**

N P Grossman

### **Auditors**

Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
Berkshire RG1 1YE

### **Registered Office**

The Mansion House  
Benham Valence  
Newbury  
Berkshire RG20 8LU

## Directors' report

Registered No 3202152

The directors present their report and financial statements for the year ended 31 December 2011

### Principal activity and review of the business

On 1 January 2009, the assets and liabilities of 2e2 Managed Operations Limited were transferred in full to 2e2 UK Limited. During the period the company has not traded and the directors do not envisage that the company will trade in the foreseeable future

### Results and dividends

The profit for the year after taxation amounted to £nil (2010 Profit £nil) The directors do not recommend a final dividend

### Directors

The directors who served the company during the year were as follows

T W Burt  
N Grossman  
M McVeigh

None of the directors held interests in the share capital of the company at 31 December 2011

T W Burt, N P Grossman and M S McVeigh are also directors of 2e2 Holdings Limited, the company's ultimate holding company, and their interests in the share capital of that company are disclosed in its financial statements

### Directors' qualifying third party indemnity provision

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### Going concern

The directors, after making appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For this reason, the directors continue to adopt the going concern basis in preparing the financial statement

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board



T W Burt  
Director  
30 April 2012

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report**

### **to the members of 2e2 Managed Operations Limited**

We have audited the financial statements of 2e2 Managed Operations Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related note 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'S) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- Give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its result for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

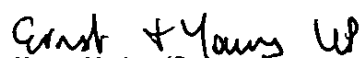
## **Independent auditors' report (continued)**

**to the members of 2e2 Managed Operations Limited**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- The financial statements are not in agreement with the accounting records and returns, or
- Certain disclosures of directors' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit



Kevin Harkin (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading

30 April 2012

## **Profit and Loss Account**

**For the year ended 31 December 2011**

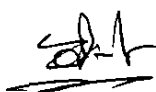
The company has not traded during the year or the preceding year. During these years, the company received no income and incurred no expenditure and therefore made neither profit nor loss.

## Balance Sheet

at 31 December 2011

	<i>Notes</i>	<i>2011</i> £	<i>2010</i> £
<b>Current assets</b>			
Debtors due within one year	4	1	1
		<hr/>	<hr/>
<b>Net assets</b>		1	1
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	5	612,733	612,733
Share premium account	6	475,327	475,327
Profit and loss account	6	(1,088,059)	(1,088,059)
		<hr/>	<hr/>
Equity shareholder's funds		1	1
		<hr/>	<hr/>

Approved by the Board



T W Burt

Director

30 April 2012



## Notes to the financial statements

at 31 December 2011

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention

#### *Going concern*

The directors, after making appropriate enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements

#### *Group financial statements*

The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a wholly owned subsidiary of 2e2 Holdings Limited, registered in England and Wales, and its results are included in the consolidated financial statements of that company. Accordingly these financial statements present information about the company on an individual basis and not as a group

#### *Statement of cash flows and related parties*

The company is exempt from the requirement of FRS 1 (revised), to prepare a statement of cash flows as it is a wholly owned subsidiary undertaking, and its cash flows are included within the group statement of cash flows of 2e2 Holdings Limited, a company incorporated in the UK. The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the 2e2 group

### 2. Directors' emoluments

Directors' remuneration have been borne by fellow group company 2e2 Holdings Limited. It is impractical to apportion directors' salaries to 2e2 Managed Operations Limited. Further details of the director remuneration are disclosed in the financial statements of 2e2 Holdings Limited

### 3. Tax

The company did not have any taxable activities during the year or preceding year

### 4. Debtors: amounts falling due within one year

	2011	2010
	£	£
Amounts owed by parent undertaking	1	1
	<u>1</u>	<u>1</u>

## Notes to the financial statements

at 31 December 2011

### 5. Authorised and issued share capital

		2011	2010
<i>Authorised</i>		£	£
Ordinary shares of £1 each		619,476	619,476
		2011	2010
<i>Allotted, called up and fully paid</i>		No	No
		£	£
Ordinary shares of £1 each	612,733	612,733	612,733

### 6. Reconciliation of shareholders' funds and movements on reserves

	Share capital	Capital Redemption	Profit and loss account	Total
	£	£	£	£
At 1 January 2011 and 31 December 2011	612,733	475,327	(1,088,059)	1

### 7. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the 2e2 group

### 8. Ultimate parent undertaking and controlling party

The immediate parent company is Netstore Limited

The ultimate parent company, controlling party and the largest company, which consolidates these financial statements, is 2e2 Holdings Limited, which is incorporated in the United Kingdom. Copies of the group financial statements of 2e2 Holdings Limited can be obtained from The Mansion House, Benham Valence, Newbury, RG20 8LU

The smallest undertaking, which consolidates these financial statements, is 2e2 Group Limited. Copies of the group financial statements of 2e2 Group Limited can be obtained from The Mansion House, Benham Valence, Newbury, RG20 8LU

### 9. Commitments and contingencies

Following the acquisition of Morse plc by 2e2 Ltd on 21 June 2010, the company entered into a cross guarantee on 21 June 2010 for the amount of £85,000,000, in favour of certain investors